AGREEMENT

CANADA

QUÉBEC

Canada-Québec Subsidiary Agreement on Scientific and Technological Development 1984-1990

Canada Québec

88-01604/

Canada-Québec
Subsidiary Agreement
on Scientific and
Technological
Development

Canada-Québec
Subsidiary Agreement
on Scientific and
Technological
Development

Canada Québec

b) to increase and improve opportunities for employment and incomes so that the people of Québec can contribute to the economic and regional development of Québec and benefit from it, given that human resources development is an integral element of economic and regional development;

c) to facilitate consultation on and coordination of the economic and regional development policies, programs and activities of both governments, in order to maximize development opportunities and to reduce impediments to such development;

AND WHEREAS the Canada-Québec Economic and Regional Development Agreement recognized that research and development, innovation, technology transfer and dissemination have a central position in the economic development of Québec;

AND WHEREAS the decisions to be taken in scientific and technological development must be based on Québec's opportunities and strengths;

AND WHEREAS the Government of Canada and the Government of Québec agree on the importance of increasing and coordinating their efforts;

AND WHEREAS the Governor-in-Council, by Order-in-Council No. PC 1985-611812 dated May 30, 1985, has authorized the Minister of State for Science and Technology to sign this Agreement on behalf of the Government of Canada;

AND WHEREAS on the recommendation of the Minister of Higher Education, Science and Technology and of the Minister responsible for Canadian Intergovernmental Affairs, the Government of Québec, by the Decree 1044-85 dated June 5, 1985, has appproved the terms of this Agreement.

IN WITNESS WHEREOF, the parties hereto agree as follows:

1. **Definitions**

1.1 In this Agreement:

a) "Agreement" means this Subsidiary Agreement on Scientific and Technological Development and its Schedules "A", "B", and "C";

b) "Federal Minister" means the Minister of Regional Industrial Expansion;

c) "Implementing Minister for Canada" means the Minister of State for Science and Technology;

d) "Québec Minister" means the Minister responsible for Canadian Intergovernmental Affairs or any other Minister authorized to act on his behalf;

e) "Implementing Minister for Québec" means the Minister of Higher Education, Science and Technology;

f) "Programme" means a component or sub-component provided in this Agreement and described in Schedule "B";

g) "Project" means a sub-component of a programme which is a main element of this Agreement and described in Schedule "B";

h) "Research" generally means basic research, applied research, industrial research, basic technological research and development;

i) "Eligible costs" means the reasonable and direct costs incurred for the purposes of this Agreement and agreed to by the Management Committee, which are incurred pursuant to an arm's length or a negotiated contract under this Agreement for the provision of goods and services and any other costs

The content of the present publication
has been prepared jointly by
the Corporate Co-ordination Bureau
(Regional Industrial Expansion)
and le Secrétariat aux Affaires
intergouvernementales canadiennes du Québec.

Published by:
Direction générale des publications
gouvernementales du ministère des
Communications du Québec.

Legal deposit — 3rd quarter 1985
Bibliothèque nationale du Québec
National Library of Canada
ISBN-2-550-12370-0
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Gouvernement du Canada

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CANADA-QUÉBEC SUBSIDIARY AGREEMENT ON SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT

AGREEMENT dated this 10th day of June, 1985.

BETWEEN:

THE GOVERNMENT OF CANADA, represented by the Minister of State for Science and Technology,

OF THE FIRST PART

AND:

THE GOVERNMENT OF QUÉBEC, represented by the Minister responsible for Canadian Intergovernmental Affairs and the Minister of Higher Education, Science and Technology,

OF THE SECOND PART.

WHEREAS the Government of Canada and the Government of Québec entered into an Economic and Regional Development Agreement on December 14, 1984, to achieve the following objectives:

a) to strengthen the economic and regional development of Québec and to create an environment in which Québec and its regions can achieve their economic potential, in particular through the enhancement of their own comparative advantages, the development and strengthening of productive enterprises and through the growth of employment;

specifically defined by the Management Committee as eligible costs for the purpose of carrying out the programmes described in Schedule "B";

but does not include costs incurred for the following, unless the Management Committee specifically so authorizes:

a) salaries or benefits paid by either party to its employees;

b) costs incurred by either party for the use of its fixed assets, or overhead or indirect costs incurred by such party;

c) the costs of acquiring lands;

j) "Fiscal year" means the period commencing on the 1st day of April of a year and ending on the 31st day of March of the following year;

k) "Management Committee" means the Committee created in accordance with section 6.3 of the Canada-Québec Economic and Regional Development Agreement to manage and administer this Agreement;

l) "Duration of this Agreement" means the period from the date this Agreement is signed to the 31st day of March, 1990;

m) "Expiry date of the Agreement" means the 31st day of March, 1990, the final date for authorizing a project in accordance with this Agreement.

2. Purpose and Objectives

2.1 The purpose of this Agreement is to stimulate scientific and technological development in Québec and to

encourage job creation in that Province, to facilitate the coordination of efforts by the Governments of Canada and Québec, specifically by seeking to implement strategic projects for Canada and Québec, in accordance with the approach described in Schedule "A" to this Agreement.

2.2 The Government of Canada and the Government of Québec have agreed to the following objectives:

a) to develop scientific and technological activities as an important instrument in economic and regional development;

b) to encourage scientific and technological research and to stimulate investment in technological innovation;

c) to promote the transfer and application of technologies;

d) to facilitate the coordination of policies and programs offered by the two Governments in the Science and technology sector.

2.3 In implementing this Agreement, the Management Committee shall examine all projects to ensure that they comply with the objectives of this Agreement and with the Canada-Québec Economic and Regional Development Agreement.

2.4 In addition, all proposals for amendments to this Agreement formulated by the Management Committee shall be examined on the basis of these objectives, when submitted to the Federal Implementing Minister and the Québec Minister.

2.5 To pursue the objectives of this Agreement, the Government of Canada and the Government of Québec

shall implement the programmes described in Schedule "B" to this Agreement.

3. Financial Provisions

3.1 Notwithstanding any provision in this Agreement, the total contribution of the Government of Canada shall not exceed fifty million dollars ($50 million), such amount being its share for all programmes described in Schedule "B";

3.2 Notwithstanding any provision in this Agreement, the total contribution of the Government of Québec shall not exceed fifty million dollars ($50 million), such amount being its share for all programmes described in Schedule "B";

3.3 Generally speaking, the Government of Canada and the Government of Québec will share, on a 50/50 basis, the eligible costs of projects under this Agreement.

4. Amendments

4.1 The federal Implementing Minister and the Québec Minister may amend the provisions of this Agreement, with the exception of the provisions set out in clause 4.2.

4.2 Any amendment to the objectives set out in clause 2.2 of this Agreement or to the financial provisions set out in clauses 3.1 and 3.2 shall first be approved by the Governor-in-Council and by the Government of Québec.

5. Management and Coordination

5.1 A Management Committee shall be created, to be composed of four (4) persons. It will be co-chaired by two senior officers, one of whom shall be appointed by the

Federal Implementing Minister and the other by the Québec Minister. There shall be an equal number of representatives for the Government of Canada and the Government of Québec, including an ex-officio representative of each of the Ministers who signed the Canada-Québec Economic and Regional Development Agreement.

5.2 The Management Committee shall be responsible for the general administration and management of this Agreement. The Management Committee shall follow the procedures set out in Schedule "B" in managing and administering programs and projects undertaken in accordance with this Agreement.

5.3 The co-chairpersons may authorize, in writing, a person to replace a member of the Management Committee at meetings and to vote on his or her behalf.

5.4 At all meetings of the Management Committee, there shall be a quorum if the co-chairpersons or their designated representatives are present in accordance with the procedures described in 5.3.

5.5 The co-chairpersons may submit to the Implementing Ministers any question on which the Management Committee is not unanimous, and this question will be held in abeyance until the disagreement is resolved.

5.6 The Management Committee shall continue to function until all projects that are undertaken in accordance with this Agreement have been completed.

5.7 The powers, functions and duties of the Management Committee shall be as follows:

a) to approve all procedures for its meetings, including rules for conducting meetings and for making decisions when the members are not present in a particular place;

b) to examine all proposals submitted and to recommend the appropriate financial contributions;

c) before each fiscal year during which this Agreement is in effect, including the fiscal year commencing on the 1st day of April, 1985, to establish a work plan setting out the timetable for programmes and projects and budget estimates;

d) to submit annually to the Implementing Ministers expenditure forecasts for each fiscal year;

e) to present to the Implementing Ministers reports on the progress of work before the annual meeting of Implementing Ministers for the Canada-Québec Economic and Regional Development Agreement, referred to in section 5.1 of the said Agreement, or at the request of the Ministers;

f) to prepare each year, on a quarterly basis, financial statements setting out the anticipated and actual cash flows, by year and by programme, for the purposes of section 6.4 of the Canada-Québec Economic and Regional Development Agreement;

g) to ensure the free and full flow of information relevant to the Agreement between the parties;

h) to approve, as necessary, the creation of appropriate advisory committees, including committees responsible for technical questions and for public information, and to make the necessary arrangements for the participation of representatives of other departments and agencies and of the private sector at Management Committee meetings, in cases where they may enhance the effectiveness of the Committee;

i) when the Management Committee determines that a project will have significant effects on human

resources, to seek the advice of appropriate departments and agencies of both governements;

j) to recommend the addition, amendment or cancellation of any project undertaken in accordance with this Agreement, when the Management Committee considers that such measures would facilitate achievement of the objectives of this Agreement;

k) to ensure that all contracts contain any provisions required under this Agreement;

l) to meet at least once a year for the purposes of this Agreement;

m) to exercise other functions, powers or duties specified elsewhere in this Agreement or those that the Federal Minister and the Québec Minister or the Implementing Ministers may confer on it;

n) to propose amendments to this Agreement to the Federal Implementing Minister and the Québec Minister;

o) to determine the date of completion for programmes and projects set out in this Agreement.

6. Secretariat

6.1 The Management Committee shall establish a Secretariat for the Agreement in order to assist in the administration of current business. This Secretariat shall be under the direction of a representative of the Québec Minister. A representative of each Implementing Minister shall take part in the preparation of agendas and minutes of meetings. The functions and duties of this Secretariat shall be defined by the Management Committee.

7. Project Authorization

7.1 The Management Committee will recommend approval of projects to the Implementing Ministers using a project authorization form signed by the co-chairpersons.

7.2 The Management Committee shall require that each project submitted for its approval in the context of this Agreement be described in an appropriate authorization form, in which the following information, inter alia, shall be set out: the name of the applicant, the name and description of the project, the party responsible for implementing the project, the purpose and objectives of the project, a budget of eligible costs, the starting date of the project, a general description of the way in which the project will be implemented and in which progress reports on work will be prepared, the scheduled completion date of the project, the total amount of funds required and the share of costs to be assumed by each party, the ownership of and responsibility for the operation and maintenance of the project after completion, procedures for public information and evaluation of the project; the form shall also provide any other information required by the Management Committee.

7.3 For each project submitted, the Implementing Ministers or the Management Committee shall notify the applicant of its decision to provide a financial contribution or to refuse the project, in a jointly signed letter. If a project is accepted, such letter shall be binding on the two Governments to the extent agreed upon by the Management Committee, and shall set out the terms and conditions of financing. Once accepted by the applicant, the letter of offer shall serve as an agreement between the applicant and the Governments of Canada and Québec.

7.4 For all projects covered by this Agreement, each party shall pay its share for all projects under this Agreement

according to the procedures set out in the letter of financial offer.

7.5 Any revision or amendment to the original offer shall require the authorization of the Management Committee.

7.6 No overruns of eligible costs provided in the budget, or costs incurred after completion of the project, shall be accepted by the Management Committee unless the Committee is informed of it in time by the implementing party and approves the inclusion of these additional costs.

7.7 The Management Committee may, as required, make use of existing programs of each Government in order to facilitate the implementation of any element of this Agreement.

8. Payment Procedures

8.1 No claim shall be paid by the parties unless it is received within the 12 months after the project completion date.

8.2 In the case of jointly-financed projects managed by the Government of Québec, the Government of Canada shall, on the recommendation of the Management Committee, pay to the Government of Québec its agreed-upon share of the contribution for the project. For this purpose, the Government of Québec shall submit promptly, as the work progresses, a claim for the eligible costs, which will only be reimbursed by the Government of Canada if they have actually been incurred and paid. Such requests shall be submitted and verified to the satisfaction of the Management Committee and shall be audited by an agent appointed by the Government of Québec.

8.3 In the case of joint or complementary activities not containing direct financial support to a university, each party shall pay directly to the applicant its agreed-upon share of the contribution for the project.

8.4 For projects which include direct financial support for a university, the Government of Canada, on recommendation of the Management Committee, will pay to the Government of Québec its agreed-upon share of contribution to the said university for the project, according to the modalities stated in paragraph 8.2.

8.5 The Government of Québec shall keep an account of the requests for payment submitted to the Government of Canada in accordance with paragraphs 8.2 and 8.4.

8.6 Any discrepancy discovered in the course of an audit between amounts paid by each party and the amounts payable in accordance with this Agreement shall be rectified immediately.

8.7 Notwithstanding section 1.1. (m), this Agreement may be terminated at the end of any fiscal year, after at least three years following the starting date of the Agreement, if either party gives written notice to the other party of at least two clear fiscal years.

9. Public Information

The Government of Canada and the Government of Québec undertake and agree to prepare news releases jointly, and to prepare and participate jointly in communication programs related to this Agreement. For this purpose, the Government of Canada and the Government of Québec undertake and agree:

a) to collaborate in preparing and implementing a public information programme;

b) to announce jointly all projects covered by this Agreement and authorized by the Implementing Ministers;

c) that all documents for calling tenders relating to projects under the Agreement shall contain the following statement: "This development project is financed by the Ministry of State for Science and Technology of Canada and the Department of Higher Education, Science and Technology of Québec";

d) that all construction site signboards shall indicate that the project is undertaken jointly by the two Governments;

e) that both Governments reserve the right to provide and install where possible on completion of the project a plaque or permanent sign bearing an inscription as described in paragraph d) of this section;

f) to organize, jointly and in cooperation with the recipients of the contribution, official ceremonies related to projects under this Agreement.

10. Evaluation

10.1 The information deemed necessary by either party to complete an evaluation of the socio-economic impact of this Agreement in terms of its stated objectives, will be furnished on request to the other party in accordance with the evaluation framework specifying evaluation criteria, which will be developed by the Management Committee and appended to this Agreement in the year following the signing of the Agreement. Activities that are not financed jointly will be evaluated by the Government responsible for performing them, which will

provide the other Government with a report on its evaluation. For this purpose, the Government of Canada and the Government of Québec undertake and agree:

a) to exchange all relevant data and information that may be necessary for any evaluation pertaining to this Agreement;

b) to review the evaluation framework and the data and information furnished, during the 12 months preceding expiry of the Agreement, in order to conduct a comprehensive evaluation of this Agreement.

11. General Provisions

11.1 No member of the House of Commons of Canada or of the Québec National Assembly shall be permitted to participate in any contract or in any part of this Agreement, nor to receive any benefit arising therefrom.

11.2 The applicant shall indemnify and save harmless the other parties, their officers, servants and agents, against all claims and demands of third parties in any way arising out of the implementation of all initiatives, except to the extent to which such claims or demands relate to the act or negligence of any officer, employee, or agent of the other parties. Where the ongoing responsibility for the operation, maintenance and repair of any project hereunder is to be vested in a third party, the contractual arrangements made between the implementing party and the said third party shall provide a clause in order to save the parties harmless from any claims, demands, actions, and causes of action which may be made against them arising out of the operation, maintenance and repair of any such project by the third party.

11.3 The provision of contributions by the Government of Canada and the Government of Québec for the implementation of this Agreement is subject to the Parliament of Canada and the National Assembly of Québec having appropriated funds for such financing in the fiscal year in which it is required.

11.4 Canadian materials and Canadian professional services shall be used in all projects under this Agreement, to the extent that such are available and meet standards of economy and do not prejudice the rapid completion of such projects.

11.5 This document together with Schecules "A", "B" and "C" form the whole of the Agreement.

IN WITNESS THEREOF this Agreement has been executed on behalf of the Government of Canada by the Minister of State for Science and Technology and on behalf of the Government of Québec by the Minister responsible for Canadian Intergovernmental Affairs and the Minister for Higher Education, Science and Technology.

IN THE PRESENCE OF:

GOVERNMENT
OF CANADA

Minister of State for
Science and Technology

GOVERNMENT
OF QUÉBEC

Minister responsible for
Canadian Intergovernmental
Affairs

Minister of Higher
Education. Science and
Technology

SCHEDULE "A"

SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT IN QUÉBEC

In the past, Québec's economic success has been based on comparative advantages, such as abundant natural resources or, in some regions, a highly skilled but inexpensive labour force. Its furture success, however, will depend primarily on the province's ability to increase productivity and competitiveness in al sectors, which in turn is dependent on its technological advancement.

In recent years, Québec has worked systematically to develop and implement its own science and technology policy. Several documents have marked this process, including a Green Paper published in 1979 and entitled **Towards a Scientific Research Policy for Québec,** followed by publication of the policy statement, **A Collective Project,** in 1980. Science policy very soon became an entrenched part of the government's economic policy, so much so that the second statement of the policy, **The Technological Turning Point: Challenges for Québec — Phase 2** (May 1982), involved a series of scientific and technological measures designed to revive Québec's economy. This policy statement emphasized:

— the priority development of sectors in which Québec has comparative advantages, such as agri-food, fisheries, forestry, mining, energy and electrochemistry, transportation, aeronautics and aerospace, communications, office automation and the growth service sector, particularly consulting engineering;

— special focus on strategic new technologies in which Québec already has significant resources, such as microelectronics, data processing, software, CAD-CAM and biotechnology;

— special attention to modernization of traditional sectors that are an important part of Québec's economy: pulp and paper, textiles, clothing, furniture, footwear and so on.

The government action plan in the pursuit of the economic revival, announced in November 1983, included measures for accelerating technological change, such as the creation of applied research centres at a cost of $78 million. These centres will cover the following research fields: digital graphics, data communications technologies, computer-assisted learning, office automation and human resources, biomass development and electrochemical technology.

In another area, the economic revival plan announced that the **Centre québécois pour l'informatisation de la production** (CQIP) [Québec centre for computerization of production] will be responsible for setting up a network of centres for the dissemination of computer-assisted design and manufacturing technologies in various sectors, such as microelectronics, design, automobiles, aeronautics, textiles and robotics. Within three years, about ten of these centres, involving the co-operation of universities, Cegeps and industry, will be established in various regions of Québec, depending on provincial priorities and local resources.

Finally, the economic revival plan also announced various steps to assist in the creation of scientific jobs in industry, with the aim of doubling scientific and technical personnel in small and medium-sized businesses of Québec over the next four years.

For its part, the federal government announced the establishment of new federal research centres in Québec in biotechnology, agri-food, office automation, fisheries and forestry. These new initiatives will substantially increase

intramural federal expenditures in Québec by the end of the decade. In addition, the federal government has given priority to the signing of a Canada-Québec agreement for scientific and technological development.

In 1982, more than 300 of the 1,500 or so industrial R&D units in Canada were located in Québec and accounted for about $560 million in expenditure and more than 8,000 jobs. Industrial R&D activity is especially concentrated in Montréal, where 85% of the funds are spent. Most of the research is oriented around a few major sectors: transportation equipment, mainly in the aircraft industry; electrical and electronic products; chemical products; public utilities and transportation services; metal products; and pulp and paper.

There is a critical mass of high-technology companies in Québec, especially in Montréal. Three areas are undergoing exceptional growth: aeronautics and aerospace, communications and the growth service sector.

Québec is well represented in research by post-secondary institutions, accounting for 29% of all R&D activity at this level in Canada in 1983. About 100 of the 230 or so Canadian research centres affiliated with universities are located in Québec.

One of the major shortcomings at present is the slow dissemination of technologies and their adoption by industry, especially by small and medium-sized businesses. Steps that might be taken include the following:

— more orientation of research by public centres toward the needs of industry, particularly through formal participation by the private sector in the management of these public research centres;

— close co-operation between the federal and provincial governments in the research programs of their respective centres;

—encouragement of private industry to use university R&D capabilities.

It is thus essential for Québec's economic future that R&D efforts and technological application be encouraged by emphasising existing strengths in research and the private sector.

SCHEDULE "B"

CANADA-QUÉBEC SUBSIDIARY AGREEMENT ON SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT

I. Program Intent

In order to respond to the needs of the Québec science and technology sector, the Government of Canada and the Government of Québec agree to cooperate in facilitating the pursuit of new opportunities for scientific and technological development. To this end, the Governments will resort to programmes providing assistance for achieving their shared goals. In addition, the two Governments agree to harmonize to a greater extent their development plans and established assistance programmes for scientific and technological development, in order that their effectiveness be increased and the access to them be simplified.

II. Financial Participation of the Canadian Government and the Québec Government

The Canada-Québec Subsidiary Agreement on Scientific and Technological Development represents a total monetary obligation of $100 million, to be shared, in general on a 50/50 basis, by the two Governments.

III. Implementation

Each party that wishes financial assistance to be provided under the terms of this Agreement for a project in the scientific and technological sector must submit this project to the

Management Committee which will ensure that it complies with the priorities established jointly by the Implementing Ministers. In addition, each party is obliged to consult with the various concerned departments and agencies at its level to ensure that there is no duplication of effort.

The two parties will analyse the project, preferably jointly in order to avoid duplication of resources, and their findings will be submitted to the Management Committee, which will make its recommendation to the Implementing Ministers. This recommendation may, where applicable, take the form of a letter signed jointly by the two Ministers offering financial assistance to the applicant, spelling out the nature of the assistance and whichever other terms are deemed appropriate.

Projects of the public domain owned by the Québec Government may be financed jointly and be carried out by the Government of Québec. The latter will be responsible for the implementation of said projects which will be evaluated against the goals and objectives of this Agreement and be approved by the Management Committee. For joint and/or complementary activities, the party responsible for a project's implementation will be determined by the Management Committee, on a project-by-project basis.

IV. **Sub-Agreement Components**

COMPONENT I: **Research Centres**

a) **Optics Institute**

Both Governments are committed to creating an Optics Institute, which will be incorporated as a not-for-profit corporation.

The Institute's mandate will be to provide the Canadian optics industry with research and development support and the technical assistance it needs to grow, and to play a leading role in the development and application of optics in Canada.

The Canadian Government will be responsible for the Institute's capital expenditures, which will be built on land provided by the Government of Québec. Operating expenses for five years (1985-1990) will be paid on a 50/50 basis by the two Governments, while allowing for revenues resulting from activities with the private sector.

A board of directors, composed mainly of representatives of the private sector and including representatives of both Governments, will head the Institute. The chairman and other members of the board of directors will be appointed jointly by both Governments, upon consultation with interested constituencies. The Institute's letters patent will set out the board's obligation to appoint directors from the private sector.

An interim board of directors will be appointed by the two Governments for the following purposes:

— to prepare the Institute's incorporation;

— to take the necessary steps to conclude a management contract tasking the National Research Council of Canada to complete arrangements concerning land, construction of the building, installation of equipment and hiring of human resources;

— to begin the preparation of a five-year financing plan designed to generate revenues which would provide for its independent operation after five (5) years.

At the beginning of the fourth year of the Institute's existence, the two Governments will conduct an evaluation of its mandate, its objectives and financing leading to the preparation by the board of directors of a second five (5) year financing plan.

b) **Electrochemical Laboratory**

Hydro-Québec will build an Electrochemical laboratory to conduct advanced R&D in electrochemistry. Pursuant to this

Agreement, the Government of Québec will be responsible for all capital expenditures.

The two Governments agree that Hydro-Québc will provide the necessary space within its laboratory for a team of researchers which will undertake research projects on behalf of the National Research Council of Canada (NRC), according to modalities to be determined.

Under this Agreement, Hydro-Québec and the NRC will reach an agreement providing for this research team's insertion in the laboratory. Hydro-Québec will also be responsible for managing this Institute. Both Governments will contribute to the financing of operating costs for their respective teams.

The Implementing Ministers may appoint representatives, whose numbers remain to be determined, to the advisory committee responsible for the Institute's research programme.

COMPONENT II: **Support for Technological Development**

Program A: Feasibility, Opportunity and Assessment Studies

Objectives

This programme will provide financial support for the study of all implications and consequences inherent in the implementation of major science and technology projects.

Depending on the projects proposed, these studies will take various forms: feasibility studies, opportunity studies or assessment studies.

Eligibility

To be eligible, the project must fit within the goals and strategies of the Agreement, and be proposed by a firm or a firm

associated with a university or the public sector. The Management Committee may, as appropriate, add additional eligibility criteria.

Assistance

The Management Committee will determine the type of eligible costs under this component as well as the financial participation of the Federal and the Québec Governments.

Program B: Modernization of R&D Equipment

Objectives

This programme will provide financial support for the purchase of high technology equipment necessary to carry out major science and technology research and development projects.

Eligibility

The Management Committee will be responsible for identifying areas of scientific and technological priority into which projects must fit in order to receive this support. After issuing a call for proposals, the Management Committee will receive applications from the industrial sector or the industrial sector associated with the university sector.

Assistance

The Management Committee will determine the type of eligible costs under this component as well as the financial participation of the Federal and Québec Governments.

Program C: New Initiatives Fund in R&D

Objectives

This programme provides financial support for specific projects that may result from feasibility and opportunity studies and include pilot projects or other similar initiatives.

Eligibility

To be eligible, the project may be submitted by the private sector or the public sector in conjunction with the private sector and must fit within the goals and strategies of the Agreement. The Management Committee may, as appropriate, add additional eligibility criteria.

Assistance

The Management Committee will determine the type of eligible costs under this component as well as the financial participation of the Federal and Québec Governments.

COMPONENT III: **Management of the Agreement**

Objectives

This component will:

- provide the necessary tools and resources for adequate planning, coordination and management of the Agreement;
- establish public information programmes;
- provide adequate assessment of the socio-economic impact of the Agreement.

Financing

Each implementing Minister will be responsible for his own administrative costs under this component.

COMPONENT IV: **Harmonization and Coordination of Science and Technology Policies, Programmes and Activities of the Government of Canada and of the Government of Québec**

The two Governments signing the Agreement have demonstrated their intention to administer the programmes for which they are responsible in a spirit and framework of harmonization and coordination, in accordance with the general objectives of the Canada-Québec Economic and Regional Development Agreement and those of this Agreement.

a) **New Initiatives: Research Centres**

In light of the creation of the Optics Institute as a joint independent corporation and of the cooperation expected with regard to the future Hydro-Québec Electrochemical Institute, the two Governments agree to direct the Management Committee to examine, on a priority basis, opportunities for cooperation in the research centres that each Government expects to establish for the new technologies, such as

— computerization of the workplace;
— biotechnology.

This examination should focus on the mechanisms for determining priorities and the general orientations of research and development programs in these centres, on the possibilities for sharing equipment and operating costs and on the composition of boards of directors (or advisory boards). The Management Committee will

submit recommendations to the Implementing Minister for Canada and to the Implementing Minister for Québec no later than one year after the Committee is established.

b) **Programmes and Activities Already in Place**

For the programmes and activities that have been in place for some time, the two Governments agree to collaborate and coordinate their efforts in research and development and in fields relating to the transfer and diffusion of technology.

The Management Committee may take the necessary steps to facilitate the harmonization of their programs and to study ways of simplifying access to them. In addition, the two Governments agree to direct the Management Committee to examine and recommend to the Implementing Ministers within one year specific measures for better coordinating, and thus optimizing, their respective development and technological support programmes.

It is understood, however, that this component in no way affects the authority of each Government to make decisions with respect to its own programmes.

SCHEDULE "C"

CANADA-QUÉBEC SUB-AGREEMENT ON SCIENCE AND TECHNOLOGY DEVELOPMENT

SUMMARY FORECAST STATEMENT FOR 1985-1990 (in million dollars)

	Canada	Québec	Total over 5 years
Component 1: Research Centres			
Programme A: Optics Institute			
• capital	16	—	16
• operations	9	9	18
Programme B: Electrochemical Laboratory			
• capital	—	16	16
• operations	5	5	10
Component II: Support for Technological Development			
Programme A: Feasibility, Opportunity or Evaluation Studies	4	4	8
Programme B: Modernization of R&D Equipement	12	12	24
Programme C: New Initiatives in R&D	3	3	6
Component III: Management of the Sub-Agreement	1	1	2
	50	50	100

APPROVED BY:

FOR THE
GOVERNMENT
OF CANADA

Tom Siddon
Minister of State for
Science and Technology

DATE: _____

FOR THE
GOVERNMENT
OF QUÉBEC

Pierre-Marc Johnson
Minister Responsible for
Canadian Intergovernemtal
Affairs

DATE: _____

Yves Bérubé
Minister of Higher Education,
Science and Technology

DATE: _____